

OFFICIAL DISPATCH

VIA: Air
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DISPATCH NO.: MGFA-3744

SECRET

CLASSIFICATION

DATE: 17 May 1950

TO : Chief, Foreign Division M.
FROM : Chief of Station, Karlsruhe *C*

SUBJECT: General -- Operational *1*
Specific -- Meeting with Cancan on 14 May 1950

REF : MGFA-3743

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1. I had Camiag invite Cancan to Frankfurt on 14 May in order to discuss the latter's present situation and his future plans. Prior to his coming to Frankfurt, several letters had been passed between FDM and the German Station on the subject of Cancan's inadequate cover arrangement and his desire to assume his own identity. Since I was also interested in discussing with Cancan possible future operational plans, the meeting was arranged over a weekend when he could leave his job without too much attention being drawn to his trip and we would have enough time to discuss all the problems.

2. For the last three years Cancan has been working for the U.S. Resident Officer in Kassel as the liaison man to the German civil authorities. In this function, which he has fulfilled under an assumed name, Cancan has been responsible for the faithful reporting of German trends to MG and, later, to the High Commissioner for the Kassel Resident Officer. Cancan's living under an assumed name, however, has increased his inferiority complex and he is even more shy and reticent than he was in Berlin in 1946--the provincial conditions prevalent in Kassel also have not increased his self confidence and have really tried his patience.

3. In the meanwhile, Cancan has met a girl whom he would like to marry. This brought up the whole question of his real identity as well as the inadequacy of the cover we provided for him, which consisted of an identity card, put his place of birth within easy reach of the West German Police where his whole cover story could

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be blown at a moment's notice, and provided him with no cover story. Any professional advancement of Cancan is dependent on his being able to document his background and, since it is impossible to fully document him under his present name, it is deemed essential that prior to assuming a permanent career he be furnished documentation which will enable him to resume his real identity.

4. It would be unwise to try and penetrate Cancan into a neo-Fascist group with his false identity, since his activity during the last four or five years certainly would never stand scrutiny from a German nationalist point of view.

5. Cancan's new identity, which will also be his true identity, will also provide him with a cover story which will arouse the sympathy of any good former Nazi. His legal training and his really remarkable career as a civil servant in the legal field, as well as his Nazi Party membership from 1933 on should be able to provide him with a job in a number of fields of interest to us. At first an attempt will be made to get him a job as a patent lawyer or legal adviser to one of the many large industrial concerns in Westphalia. I hope that Camise will be able to help him get acquainted with a number of industrialists who are indebted to her and thereby would probably be willing to help a friend of hers.

6. I discussed with Cancan the possibility of resuming his work for us and found him totally amenable to again entering into a clandestine relationship. I believe, however, that we should not put the cart before the horse and that he be first allowed to get settled and then discuss his agent status.

7. I believe Cancan unsuited to the functions of a penetration agent. I think he can do excellent work as a cutout, a bird dog, and head agent. He is security conscious, unassuming and has a good legal background and logical mind, and is able to follow instructions to the letter. It is suggested that we help him financially in his attempt to find a new job and in his settlement, in order to have him indebted to us. Request authorization to spend up to 1500 DM for his resettlement, either in the form of an outright payment or a loan, or a combination of both.

Amu

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